



June 12, 2006

Dear Friends:

On July 1, 2006, the interest rates on outstanding federal student loans are expected to rise to the highest rate in six years—just over 7 percent—and the rate on outstanding federal parent loans are expected to rise to about 7.8 percent. Student borrowers who consolidate before July 1st may be eligible to lock in a rate as low as 4.75 percent over the life of their loan(s)—which would save the typical undergraduate borrower almost \$3,500 over the life of his or her loan. But students and parents must act quickly to ensure that they can lock in these lower rates. Visit my website to [learn more about loan consolidation](#).

Although every Democrat in the U.S. House voted earlier this year to oppose the largest cuts to student financial aid in history, students from across Minnesota have been devastated by the impact of more than \$12 billion in cuts passed by the House Majority party. This move, balancing the budget on the backs of our students, has resulted in many students paying thousands more for college. I have worked to make college more affordable by cosponsoring the *Reverse the Raid on Student Aid Act* (H.R. 5150), which would cut interest rates in half on loans for students and parents, saving the typical undergraduate student borrower with \$17,500 in student loan debt an average of \$5,600 over the life of his or her federal college loan. Visit the Education and Workforce Committee's Minority Staff website for [more information on reversing the raid on student aid](#).

Sincerely,

Congresswoman Betty McCollum
Serving Minnesota's Fourth Congressional District

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